



## II. Cash Balance Plan

### STRS Cash Balance Plan Available To Part-time Educators

STRS has designed a plan specifically for educators who work part-time. Your eligibility is determined by your basis of hiring, that is, your contract, rather than actual hours you work. If you are hired to work on an hourly basis, without a contract, for K-12, Adult Education, ROP, or at one or more community colleges, the STRS Cash Balance Plan (CB Plan) gives you an opportunity to save retirement dollars for the long-term.

Features of the STRS CB Plan include:

- **immediate vesting**  
You do not have to wait to accumulate years of service credit to become eligible for benefits.
- **contributions matched by employer**  
For every dollar you contribute, your employer contributes at least one dollar. You receive all contributions- both yours and your employer's- and interest, if you terminate public school employment.
- **secure investments**  
The CB Plan investment portfolio is managed by STRS investment professionals, who have a long and successful record of achievement.
- **guaranteed interest rate**  
As of June 1997, the rate is 7.00 percent and will be adjusted annually.
- **portability to meet the needs of a part-time educator**  
You can continue participation in the STRS CB Plan if you move to another school or district that offers the CB Plan. If your new

employer does *not* offer STRS CB Plan, you can leave your contributions in the CB Plan, and compounded interest will continue to accrue.

- **options if you leave public school employment**  
If you leave public school employment entirely, you have three options: leave the contributions on deposit in your account, roll over your CB Plan funds to another eligible retirement plan or an Individual Retirement Arrangement (IRA), or you can withdraw all contributions, including employer contributions, plus interest, providing the waiting period requirement has been met.
- **flexibility at retirement**  
You can take your contributions, your employer's contributions, plus compounded interest in a lump-sum, or choose an annuity to provide monthly retirement benefits.
- **no fees or charges for participation**
- **all employee contributions are pre-tax dollars**
- **available by payroll deduction**

### Work for Multiple Employers?

You can contribute to the CB Plan at one or more participating school districts or community colleges, if your contract for employment is less than half-time at each school or college district.

### Are You Eligible to Participate?

When you are hired by a district, county office of education, or a community college, your employer is required to notify you that you can elect membership in the STRS Defined Benefit Plan, even though you are a part-time employee. If your hiring status (contract) is changed to half-time or more, you will automatically become a member of the STRS DB Plan.

However, as long as your hiring status (contract) remains less than half time, you have the *choice* of participating in the STRS Cash Balance Plan, rather than the STRS Defined Benefit Plan, in districts that offer the Cash Balance Plan.



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## Participating School Districts Can Offer CB Plan

School districts and community colleges can offer their part-time employees the CB Plan. Offering the CB Plan may be bargained, as some districts are doing currently. Contact your district(s) or County Office of Education to determine if the Cash Balance Plan is available.

## For More Information About the STRS CB Plan

For detailed information about the STRS Cash Balance Plan, call STRS Teletalk at 1-800-228-5453 or review STRS Web site home page. (See Section X, General Information)

